

UNITED STATES DISTRICT COURT  
DISTRICT OF NEVADA

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FEDERAL TRADE COMMISSION,

Case No. 2:18-cv-0030-JCM-PAL

Plaintiff,

## ORDER

## CONSUMER DEFENSE LLC, et al.,

(Emg Mot WD Atty – ECF No. 142)

## Defendants.

12        This matter is before the court on Christensen & Jenson, P.C.'s Motion to Withdraw as  
13      Counsel of Record (ECF No. 142) for individual defendants Jonathan P. Hanley and Sandra X.  
14      Hanley, and corporate defendants Consumer Defense, LLC, Preferred Law, PLLC, American  
15      Home Loan Counselors, Consumer Defense Group, LLC, American Home Loans, LLC, AM  
16      Property Management, LLC, FMG Partners, LLC, Brown Legal, Inc., and Zinly, LLC. The court  
17      has reviewed the motion, plaintiff's Non-Opposition (ECF No. 143), and attorney Gregory Miles'  
18      Joinder (ECF No. 144) as local counsel.

The motion was filed an emergency motion because the parties “need to know immediately whether counsel for defendants will be permitted to withdraw” as any delay will reduce the time for the parties to meet concerning existing court-imposed deadlines. Additionally, counsel represents that the attorney-client relationship has irreparably broken down and continued representation would impose an unreasonable financial burden. Counsel has not been paid for substantial work performed. Defense counsel has had great difficulty in communicating with his client, the client has failed to cooperate with him, and has failed to pay costs and fees. John Lauritzen and Karra Porter of Christensen & Jensen, and local counsel Gregory A. Miles therefore seek leave to withdraw as counsel of record.

1           A Discovery Plan and Scheduling Order (ECF No. 121) was entered August 2, 2018, which  
2 established a March 15, 2019 discovery cutoff.

3           The court will grant the motion to withdraw but require the corporate defendants to retain  
4 substitute counsel. A corporation cannot appear except through counsel. *See Rowland v.*  
5 *California Men's Colony*, 506 U.S. 194, 201–02 (1993); *Reading Int'l, Inc. v. Malulani Grp., Ltd.*,  
6 814 F.3d 1046, 1053 (9th Cir. 2016). The Ninth Circuit has held that default judgment is an  
7 appropriate sanction for a corporation's failure to retain counsel for the duration of the litigation.  
8 *United States v. High Country Broadcasting*, 3 F.3d 1244, 1245 (9th Cir. 1993).

9           Having reviewed and considered the matter, and for good cause shown,

10          **IT IS ORDERED:**

11         1. John Lauritzen and Karra Porter of Christensen & Jenson and local counsel Gregory  
12           A. Miles' Motion to Withdraw (ECF No. 142) is **GRANTED**.

13         2. Defendants Jonathan P. Hanley and Sandra X. Hanley shall have until **December**  
14           **20, 2018** in which to retain substitute counsel who shall make an appearance in  
15           accordance with the requirements of the Local Rules of Practice, or shall file a  
16           notice with the court that he will be appearing in this matter *pro se*., that is,  
17           representing themselves.

18         3. Defendant Jonathan P. Hanley and Sandra X. Hanley's failure to timely comply  
19           with this order by either obtaining substitute counsel or filing a notice that they will  
20           be appearing in this matter *pro se* may result in the imposition of sanctions, which  
21           may include a recommendation to the District Judge of default judgment.

22         3. As defendants Consumer Defense, LLC, Preferred Law, PLLC, American Home  
23           Loan Counselors, Consumer Defense Group, LLC, American Home Loans, LLC,  
24           AM Property Management, LLC, FMG Partners, LLC, Brown Legal, Inc., and  
25           Zinly, LLC are corporations and must have counsel, they shall have until  
26           **December 20, 2018** in which to retain substitute counsel who shall make an  
27           appearance in accordance with the requirements of the Local Rules of Practice.

1           4. Defendants Consumer Defense, LLC, Preferred Law, PLLC, American Home Loan  
2           Counselors, Consumer Defense Group, LLC, American Home Loans, LLC, AM  
3           Property Management, LLC, FMG Partners, LLC, Brown Legal, Inc., and Zinly,  
4           LLC's failure to timely comply with this order by obtaining substitute counsel may  
5           result in the imposition of sanctions, which may include a recommendation to the  
6           District Judge of default judgment.

7           5. The Clerk of the Court shall serve the defendants with a copy of this order at their  
8           last known addresses:

9           Consumer Defense, LLC  
10          c/o 655 West Broadway, Ste 1600  
10          San Diego, CA 92101

11          Preferred Law, PLLC  
12          c/o 655 West Broadway, Ste 1600  
12          San Diego, CA 92101

13          American Home Loan Counselors  
14          c/o 655 West Broadway, Ste 1600  
14          San Diego, CA 92101

15          Consumer Defense Group, LLC  
16          c/o 655 West Broadway, Ste 1600  
16          San Diego, CA 92101

17          American Home Loans, LLC  
18          c/o 655 West Broadway, Ste 1600  
18          San Diego, CA 92101

19          AM Property Management, LLC  
20          c/o 655 West Broadway, Ste 1600  
20          San Diego, CA 92101

21          FMG Partners  
22          c/o 655 West Broadway, Ste 1600  
22          San Diego, CA 92101

23          Brown Legal, Inc.  
24          c/o 655 West Broadway, Ste 1600  
24          San Diego, CA 92101

25          Zinly, LLC  
26          c/o 655 West Broadway, Ste 1600  
26          San Diego, CA 92101

27          Jonathan P. Hanley  
28          9144 Maison Drive  
28          Sandy, UT 84093

1 Sandra X. Hanley  
2 9144 Maison Drive  
3 Sandy, UT 84093

4 DATED this 20th day of November 2018.

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6 PEGGY A. TEETER  
7 UNITED STATES MAGISTRATE JUDGE  
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